11/15/00

mp-00990 mb-01033 ms-01026 ms-01027

WHEN RECORDED RETURN TO:
DISTRICT ENGINEER
U. S. ARMY ENGINEER DISTRICT
ATTN: REAL ESTATE DIVISION
1325 J STREET
SACRAMENTO, CA 95814

64-

# EASEMENT AND COVENANT TO RESTRICT USE

Sutherland Bros., Inc. a Colorado Corporation, hereinafter referred to as "Grantor," in consideration of the sum of FIFTEEN THOUSAND FIVE HUNDRED AND SEVENTY SEVEN DOLLARS AND NO/100 (\$15,577.00), receipt of which is hereby acknowledged, does hereby grant, a perpetual and assignable easement interest and agrees to further restrict the use of the easement areas as detailed in Exhibit A to the UNITED STATES OF AMERICA, hereinafter referred to as "Government," represented by the United States Department of Energy (hereinafter called "DOE") in, upon, over and across the property located in the County of San Juan (APN's 33S24E324800, 34S24E050000, 34S24E043000 and 34S24E042400), State of Utah, as shown on Assessor's Map's at Exhibit B-1, B-2 and B-3, the easement areas are defined in Exhibit's C, C-1, C-2, and C-3 (hereinafter referred as "Property"), retention of the right of access over property described in Exhibit B is required to access easement areas defined in Exhibit's C, C-1, C-2 and C-3, for the purpose described in Exhibit D.

# A. Description of Facts:

- A. 1. The Monticello Millsite (hereinafter "Millsite") was owned by the United States of America, and operated through various agencies from 1942 through 1959 for production of uranium and vanadium: after the Millsite ceased operations on January 1, 1960, tailings from the milling process were removed from the site through either natural processes or by human activity and contaminated properties in the vicinity of the Millsite.
- A. 2. DOE has been charged with the responsibility of remediating the tailings at the Millsite and associated vicinity properties under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq., (hereinafter "CERCLA") and pursuant to the terms of a Federal Facility Agreement (hereinafter "FFA") entered into

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South Eastern Utah Title Company

Order No. 33158-SJ

between the United States Environmental Protection Agency, Region VIII hereinafter "EPA"), and the State of Utah Department of Health (hereinafter "State").

- A. 3. The Grantor owns the property in the vicinity of the Millsite which DOE has determined to be contaminated with tailings.
- A. 4. The Grantor and DOE wish to enter into this agreement to carry out the purposes of CERCLA and the FFA, and to protect the public health, safety and welfare.

# B. Deed Restriction Requirement:

- B. 1. DOE has determined that deed restrictions need to be imposed on the Property to ensure full protection of public health and the environment.
- B. 2. The Grantor agrees that in order to protect the present and future public health and safety and the environment, the Property shall be used in such a manner as to avoid potential harm to persons or property which may potentially result from site development for or construction of any temporary or permanent habitable structures on the Property.

# ARTICLE I GENERAL PROVISIONS

- 1.1. This agreement sets forth rights, conditions and restrictions upon the subject Property. Each and all of the rights, conditions and restrictions shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof.
- 1.2. By granting and accepting the terms and conditions of this agreement, the Government and Grantor, its successor and assigns, agree to be bound by said terms and conditions and agree that the Parties shall be entitled to specific performance of any of the provisions or conditions thereof in any court of competent jurisdiction if the curing of any violation has not occurred within thirty (30) days after the party has provided written notice to the violating party of said violations or deficiencies.
- 1.3. All purchasers, lessees, or possessors of any relevant portion of the Property shall be deemed by their

purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions, as herein established, must be adhered to for the benefit of future owners and occupants and that their interest in the Property shall be subject to the Restrictions contained herein.

- 1.4. The Grantor agrees that the entire agreement set out herein shall be recorded and incorporated by reference in each and all deeds and leases of any portion of the Property. The agreement shall be recorded by the DOE in the San Juan County Recorder's office as set forth above.
- 1.5 This document shall constitute the entire agreement between the Parties and any prior understanding or representation of any kind shall not be binding on either Party except to the extent incorporated in this agreement.

# ARTICLE II RIGHTS, CONDITIONS AND RESTRICTIONS

- 2.1. Said rights are conveyed subject to existing easements for public roads and highways, public utilities, railroads and pipelines.
- 2.2. DOE, EPA, and the State, and their authorized representatives, contractors and subcontractors are granted retention of the right of access over remainder of Grantor's property, described above, to access the easement areas to perform inspection, surveillance, monitoring, characterization and assessment of the radiological contamination of the property, to carry out surface remedial action if determined necessary by DOE, and to take any other reasonable action consistent with the evaluation and performance of surface remedial action. Access will be coordinated as closely as possible with the Grantor, its successors or assigns, to minimize interference of their use and enjoyment of the property.
- 2.3. No site development for or construction of any temporary or permanent habitable structures may occur within the easement areas. For the purposes of this agreement a "habitable structure" is defined as a structure that is suitable for person(s) to live or reside in.

- 2.4. The easement areas shall not be used in such a way that will disturb or interfere with the integrity of any monitoring system.
- 2.5 Soils from the easement areas shall not be removed from the area.
- 2.6. Grantor, its successor or assigns, shall provide a thirty (30) day advance notice to DOE of any sale, or other conveyance of the Property or an interest in the Property to a third person. DOE shall not have the authority to approve, disapprove, or otherwise affect any sale, lease, or other conveyance of the Property except as otherwise provided by law or by reason of this agreement.
- 2.7. Any violation of the agreement shall be grounds for DOE to take enforcement action, including the filing of an administrative, civil or criminal action, as provided by law, against the Grantor, its successor or assigns, subject to all applicable defenses.

# ARTICLE III REMOVAL OF RESTRICTIONS

3.1. The restrictions detailed in this agreement will be removed from the property or portions thereof when DOE has determined that the site meets regulatory standards, as determined by DOE, EPA, and the STATE OF UTAH; otherwise the restrictions and requirements of this agreement shall continue in effect in perpetuity.

# ARTICLE IV MISCELLANEOUS

- 4.1. Nothing set forth herein shall be constructed to be a dedication or offer of a gift or dedication of the Property or any portion thereof to the general public for any purposes.
- 4.2 Whenever any person gives or serves any notice, demand, or other communication with respect to this agreement, such notice, demand, or communication shall be in writing and shall be sent simultaneously to an authorized representative of the Grantor and to the DOE, in certified mail with return receipt requested.

4.3. If any portion of this agreement is determined to be invalid or unenforceable for any reason, the remaining portion of the agreement shall remain in full force and effect.

TO HAVE AND TO HOLD the rights hereby granted to the Government and its successors and assigns forever but without warranties of any kind by the Grantor, except that the Grantor affirmatively states they have received no claims to ownership from anyone since they acquired title to the property, and that they have not conveyed or incurred any liens against the property.

IN WITNESS WHEREOF, the Grantor and the Government execute this agreement as of the date set forth below.

TOTAL 15- DELLE CO

"Grantor"

Sutherland Bros., Inc

Its. PLLA

Subscribed and sworn to before me this 15th

day of Powember 10 Beac.

Comm. Expires

// Notary Public

Residing at Monticello, Utah

# CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the forgoing agreement over Tract No's. 33S24E324800, 34S24E050000, 34S24E043000 and 34S24E042400, County of San Juan, State of Utah, dated NOV. 15, 2000 from Southerland Bros., Inc. to the United States of America, is hereby accepted by the undersigned officer on behalf of the United States of America, and the Grantee consents to recordation thereof by its duly authorized officer.

DATED //23/0/

MARVIN D. FISHER Chief, Real Estate Division

U.S. Army Engineer District, Secrementa

# State of California County of ABULETIAN Before me, Season State of Officer (a.g., Same and State of Officer (a.g., Same Dec. Robert Public) personally appeared Manual September (appeared September (appear CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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Reorder: Call Toll-Free 1-800-876-6827

# Exhibit A

# EASEMENT ESTATE

# 1. RIGHTS, USE AND CONDITIONS

DOE, EPA, and the State, and their authorized representatives, contractors and subcontractors are granted a right of entry in, across, and over the land described above to perform characterization and assessment of the radiological contamination of the property, to carry out surface remedial action if determined necessary by DOE, and to take any other reasonable action consistent with the evaluation and performance of surface remedial action. Access will be coordinated as closely as possible with Sutherland Bros. Inc. to minimize interference of their use and enjoyment of the property.

# 2. SPECIAL RESTRICTIONS ON LAND USE BY THE SUTHERLAND BROS. INC.

No site development for or construction of any temporary or permanent habitable structures may occur. For the purposes of this agreement a "habitable structure" is defined as a structure that is suitable for persons to live or reside in.

# 3. ENTIRE AGREEMENT

This agreement shall constitute the entire agreement between the Parties and any prior understanding or representation of any kind shall not be binding on either Party except to the extent incorporated in this agreement.

# 4. BINDING EFFECT

By granting and accepting this agreement, the DOE and Sutherland Bros., Inc. agree to be bound by the terms of the rights granted and agree that the Parties shall be entitled to specific performance of any of the provisions or conditions thereof in any court of competent jurisdiction if the curing or any violation has not occurred within thirty (30) days after the party has provided written notice to the violating party of said violations or deficiencies.

# 5. REMOVAL OF RESTRICTIONS

The restrictions detailed in this agreement will be removed from the above described lands when DOE has determined that the site meets regulatory standards, as determined by DOE, EPA, and the STATE OF UTAH.

# EXHIBIT B

Parcel 1: APN 33S 24E 324800 T33S, R24E, SLBM Section 32: S1/2NE1/4SW1/4;

SE1/4SW1/4; W1/2SE1/4; LESS the following portion thereof.

Beginning at a point on the East boundary of the SW1/4SE1/4 of Section 32, T33S, R24E, SLBM; said point being N89 deg. 59' 47" W 1325.22 feet and N0 deg. 05' 12" W 660.43 feet from the SE Corner of said section 32; thence N 45 deg. 07' 48" W 935.47 feet to a point on the South boundary of the NW1/4SE1/4 of said Section 32; thence N 45 deg. 07' 26" W 934.68 feet to a point on the West boundary of said NW1/4SE1/4; thence N 0 deg 01' 54" W along said West boundary 659.94 feet to the center of said Section 32; thence N 89 deg. 55' 07" E along the North boundary of the NW1/4SE1/4 of said Section 32 a distance of 1322.69 feet to the NE corner of said NW1/4SE1/4; thence S 0 deg. 05' 12" E along the East boundary of the W1/2SE1/4 of said Section 32 a distance of 1981.28 feet to the point of beginning,

EXCEPTING therefrom all oil, gas and minerals.

Parcel 2: APN 34S 24E 050000 T34S, R24E, SLBM Section 5: Lots 1 & 2

EXCEPTING therefrom all oil, gas and minerals.

Parcel 3: APN 34S 24E 043000 T34S, R24E, SLBM Section 4: Lots 3 & 4 LESS the following described portion of Lot 3:

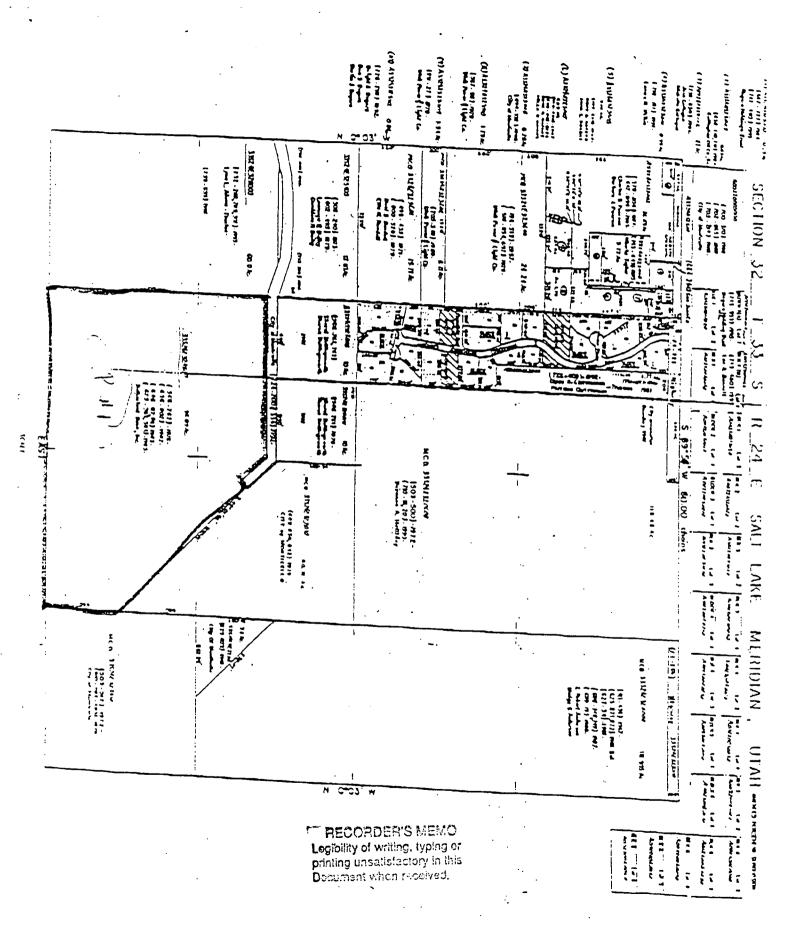
Beginning at the NE Corner of Lot 3, Section 4, T34S, R24E, SLBM, and running thence South 900 feet along the East line of said Section 3; thence West 1320 feet to the West line of said Lot 3; thence North 90 feet to the NW corner of said Lot 3; thence East 1320 feet, more or less, to the point of beginning.

EXCEPTING therefrom all oil, gas and minerals.

Parcel 4: APN 34S 24E 042400 T34S, R24E, SLBM

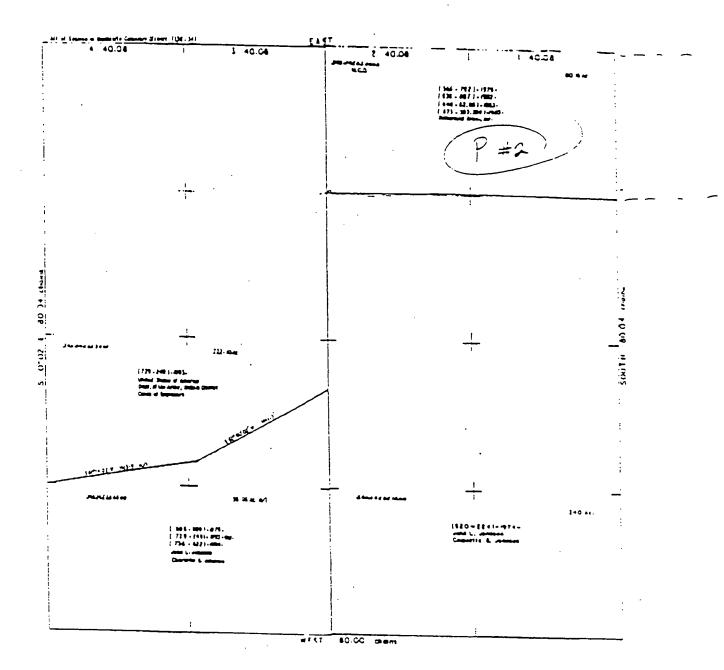
Beginning at the NE Corner of Lot 3, Section 4, T34S, R24E, SLBM, and running thence South 900 feet along the East line of said Section 3; thence West 1320 feet to the West line of said Lot 3; thence North 900 feet to the NW corner of said Lot 3; thence East 1320 feet, more or less, to the point of beginning.

EXCEPTING therefrom all oil, gas and minerals.

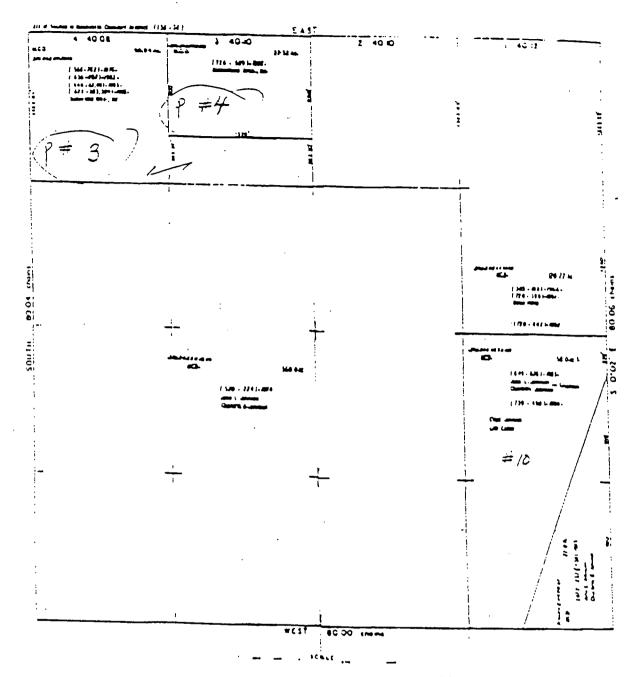


# SAN JUAN COUNTY, UTAH

SECTION 5 T 34 S R 24 E SALT LAKE MERIDIAN, UTAH



IT RECORDER'S MEMO Legibility of writing, typing or printing unsatisfactory in this Occurrent when received.



HECORDER'S MEMO Legibility or writing, typing or printing unsatisfactory in this Document when received.

### EXHIBIT C

DOE ID. Number: MP-00990-CS Location: Upper Montezuma Creek Sutherland Brothers, Inc. (B.673, P.583-584)

Parcel Number: 33S24E324800

A parcel of land along Montezuma Creek within the SE1/4 SW1/4 and also the SW1/4 SE1/4, all within Section 32, Township 33 South, Range 24 East, Salt Lake Base and Meridian, San Juan County, Utah; said parcel described as follows: Beginning at the Southwest corner of said Section 32 from whence the South quarter corner of said Section 32 bears S.89° 58'33"E., 2,643.43 feet with all bearings contained herein referenced thereto; thence S.89° 58'33"E., 1,321.30 feet to the Southwest corner of the SE1/4 SW1/4 of said Section 32; thence N.00°11'32"W., 512.04 feet along the West line of the SE1/4 SW1/4 of said Section 32 to the True Point of Beginning; thence along the following twenty-one (21) courses:

- 1.) S68° 23'38"E., 138.32 feet;
- 2.) N.71°37'02"E., 82.00 feet;
- 3.) S.64°40'59"E., 281.16 feet;
- 4.) S.27°54'29"E., 60.33 feet;
- 5.) S.75°31'07"E., 348.47 feet;
- 6.) N.68°16'58"E., 92.48 feet;
- 7.) S.82°44'47"E., 71.68 feet;
- 8.) S.53°46'32"E., 210.08 feet;
- 9.) S.73°04'38"E., 205.90 feet;
- 10.) S.77°03'30"E., 215.14 feet;
- 11.) S.53°10'06"E., 32.58 feet to a point on the South line of the SW1/4SE1/4 of said Section 32, from whence the South quarter corner of said Section 32 bears S.89°55'04"W., 261.60 feet;
- 12.) N.89°55'04"E., 572.78 feet along the South line of the SW1/4 SE1/4 of said Section 32;
- 13.) N.67°33'31"W., 203.28 feet;
- 14.) N.59°26'35"W., 534.03 feet;
- 15.) N.86°54'44"W., 142.60 feet;
- 16.) S.48°52'54"W., 167.36 feet;
- 17.) N.41°07'06"W., 160.78 feet;

- 18.) N.66°56'16"W., 865.75 feet;
- 19.) S.89°23'52"W., 262.71 feet;
- 20.) S.73°50"30"W., 80.78 feet, to a point on the West line of the SE1/4SW1/4 of said Section 32;
- 21.) S.00°11'32"E., 170.02 feet along the West line of the SE1/4SW1/4 of said Section 32 to the True Point of Beginning.

Said parcel containing 11.15 acres, more or less.

# EXHIBIT C-1

DOE ID. Number MG-01033-VL

Location: Upper Montezuma Creek
Owner: Sutherland Brothers, Inc.

(B.673, P.583-584)

Parcel Number: 34S24E050000

A parcel of land along Montezuma Creek with G. L. O. Lots 1 and 2, Section 5, Township 34 South, Range 24 East, Salt Lake Base and Meridian, San Juan County, Utah; said parcel described as follows: Beginning at the North quarter corner of said Section 5 from whence the Northeast corner of said Section 5 bears N.89°55'04"E., 2,650.09 feet with all bearings contained herein referenced thereto; thence N.89°55'04"E., 261.60 feet to the True Point of Beginning; thence along the following twenty-three (23) courses:

- 1.) S.53°10'06"E., 280.81 feet;
- 2.) N.81°41'22"E., 280.54 feet;
- 3.) S.76°54'01"E., 114.43 feet;
- 4.) S.55°36'11"E., 290.75 feet;
- 5.) S.42°52'03"E., 211.53 feet;
- 6.) S.67°33'50"E., 112.81 feet;
- 7.) N.78°27'41"E., 120.59 feet;
- 8.) N.42°57'20"E., 75.16 feet;
- 9.) N.73°34'35"E., 104.43 feet;
- 10.) S.56°28'49"E., 256.14 feet;
- 11.) S.70°07'16"E., 222.44 feet;
- 12.) S.86°08'54"E., 166.90 feet;
- 13.) S.73°53'15"E., 265.09 feet;
- 14.) S.51°00'26"E., 86.05 feet;
- 15.) S.60°55'33"E., 121.97 feet, more or less, to a point on the East line of said Section 5;
- 16.) N.00°01'24"W., more or less, 210.57 feet along the East line of said Section 5;
- 17.) N.54°36'24"W., 57.63 feet;
- 18.) N.73°55'04"W., 511.26 feet;
- 19.) N.66°04'43"W., 495.92 feet;
- 20.) N.85°00'11"W., 264.70 feet;
- 21.) N.71°02'33"W., 270.58 feet;
- 22.) N.67°33'31"W., 329.79 feet, to a point on the North line of

- said Section 5;
- 23.) S.89°55'04"W., 572.78 feet, along the North line of said Section 5 to the True Point of Beginning. Said parcel Containing 10.33 acres (area is correct with bearing correction along course No. 7) more or less.

## EXHIBIT C-2

DOE ID. NUMBER MG-010260VL

Location: Upper/Middle Montezuma Creek

Owner: Sutherland Brothers, Inc.

(B.673, P.583-584)

Parcel Number: 34S24E043000

A parcel of land along Montezuma Creek within G. L. O. Lots 3 and 4, Section 4, Township 34 South, Range 24 East, Salt Lake Base and Meridian, San Juan County, Utah; said parcel described as follows: Beginning at the Northwest corner of said Section 4 from whence the North quarter corner of Section 5 of said Township and Range bears S.89°55'04"W., 2,650.09 feet with all bearings contained herein referenced thereto; thence S.00°01'24"E., more or less, 615.55 feet along the West line of said Section 4 to the True Point of Beginning; thence along the following thirty-seven (37) courses:

- 1.) S.54°36'24"E., 194.24 feet;
- 2.) East, 123.12 feet;
- 3.) N.55°09'33"E., 106.82 feet;
- 4.) S.87°37'20"E., 75.36 feet;
- 5.) S.65°05'44"E., 248.75 feet;
- 6.) S.84°17'32"E., 258.92 feet;
- 7.) S.44°16'48"E., 249.02 feet;
- 8.) S.75°32'12"E., 70.31 feet;
- 9.) N.45°17'48"E., 219.03 feet, more or less, to a point on the West line of G. L. O. Lot 3 of said Section 4 and also on the West line of that parcel described in Book 673, Page 583-584, San Juan County Records;
- 10.) S.00°03'23"W., 58.74 feet, more or less, along the West line of G. L. O. Lot 3 of said Section 4 to the Southwest corner of said parcel described in Book 673, Page 583-584;
- 11.) S.89°56'59"E., more or less, 275.94 feet along the South line of said parcel described in Book 673, Page 583-584;
- 12.) S.89°56'59"., more or less, 435.92 feet along the South line of said parcel described in Book 673, Page 583-584;
- 13.) S.74°12'55"E., 147.79 feet;
- 14.) East, 299.06 feet;
- 15.) N.70°26'34"E., 118.65 feet, more or less, to a point on the South line of said parcel described in Book 673, Page 583-584;

- 16.) S.89°56'59"E., 60.18 feet, more or less, to a point on the East line of G. L. O. Lot 3 and being also the Southeast Corner of said parcel described in Book 673, Page 583-584;
- 17.) S.00°08'10"W., more or less, 85.64 feet, along the East line of G. L. O. Lot 3 of said Section 4;
- 18.) S.63°25'38"W., 88.52 feet;
- 19.) West, 317.84 feet;
- 20.) S.79°14'50"W., 91.54 feet;
- 21.) N.71°55'30"W., 204.09 feet;
- 22.) West, 63.58 feet;
- 23.) S.74°08'54"W., 245.25 feet;
- 24.) N.64°16'02"W., 220.05 feet;
- 25.) West, 123.36 feet;
- 26.) S.31°01"42"W., 153.51 feet;
- 27.) S.55°22'58"W., 131.53 feet
- 28.) N.75°32'12"W., 74.45 feet;
- 29.) N.60°10'37"W., 117.47 feet;
- 30.) N.39°42'48"W., 155.37 feet;
- 31.) West, 234.19 feet;
- 32.) N.55°39'15"W., 181.48 feet;
- 33.) West, 288.63 feet;
- 34.) N.64°33'24"W., 52.38 feet;
- 35.) S.85°45'57"W., 81.71 feet;
- 36.) N.78°28'21"W., 87.68 feet; more or less to a point on the West line of said Section 4:
- 37.) N.00°01'24"W., more or less, 210.57 feet, along the West line of said Section 4 to the True Point of Beginning. Said parcel containing 8.12 aces, more or less.

# EXHIBIT C-3

DOE ID. Number: MG-01027-VL

Location: Middle Montezuma Creek
Owner: Sutherland Brothers, Inc.

Parcel Number: 34S24E042400

A parcel of land along Montezuma Creek within G. L. O. Lot 3, Section 4, Township 34 south, Range 24 East, Salt Lake Base and Meridian, San Juan County, Utah; said parcel described as follows: Beginning at the Northwest corner of said Section 4 from whence the North quarter corner of Section 5 of said Township and Range bears S.89°55'04"W., 2,650.09 feet with all bearings contained herein referenced thereto; thence S.55°47'22"E., 1,602.82 feet, more or less, to a point along the West line of G. L. O. Lot 3 of said Section 4 and also the Southwest corner of the parcel described in Book 673, Page 583-584, San Juan County Records, and the True Point of Beginning; thence along the following five (5) courses:

- 1.) S.89°56'59"E., more or less, 275.94 feet along the South line of said parcel descried in Book 673, Page 583-584;
- 2.) N.48°37'54"W., 137.19 feet;
- 3.) West, 140.91 feet;
- 4.) S.45°17'48"W., 45.05 feet, more or less, to a point on the West line of G. L. O. Lot 3 of said Section 4 and also on the West line of said parcel described in Book 673, Page 583-584;
- 5.) S.00°03'23"W., more or less, 58.74 feet along the West line of G. L. O. Lot 3 of said Section 4 to the True Point of Beginning.

Said parcel containing 0.45 acres, more or less.

# EXHIBIT D

WHEREAS, the Monticello Millsite (hereinafter "Millsite") was owned by the United States of America, and operated through various agencies from 1942 through 1959 for production of uranium and vanadium; after the Millsite ceased operations on January 1, 1960, tailings from the milling process were removed from the site through either natural processes or by human activity and contaminated properties in the vicinity of the Millsite, and

WHEREAS, DOE has been charged with the responsibility of remediating the tailings at the Millsite and associated vicinity properties under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, (hereinafter "CERCLA") and pursuant to the terms of a Federal Facility Agreement (hereinafter "FFA") entered into with the United States Environmental Protection Agency, Region VIII (hereinafter "EPA"), and the State of Utah Department of Health (hereinafter "State"), and

WHEREAS, Southerland Bros., Inc. and the DOE wish to enter into this agreement and agree to carry out the purposes of CERCLA and the FFA, and to protect the public health, safety and welfare.

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